

Message Text

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PAGE 01 BOGOTA 01991 251605Z

44

ACTION EB-07

INFO OCT-01 AF-06 ARA-06 EA-07 NEA-10 ISO-00 H-02 AGR-05

CEA-01 CIAE-00 COME-00 DODE-00 FRB-03 INR-07 INT-05

L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15

STR-04 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 FEAE-00

OMB-01 /109 W

----- 130280

P R 242117Z FEB 76

FM AMEMBASSY BOGOTA

TO SECSTATE WASHDC PRIORITY 3630

INFO AMEMBASSY BRASILIA

AMEMBASSY SAN JOSE

AMEMBASSY QUITO

AMEMBASSY SAN SALVADOR

AMEMBASSY ADDIS ABABA

AMEMBASSY ABIDJAN

AMEMBASSY NAIROBI

AMEMBASSY TEGUCIGALPA

AMEMBASSY MANAGUA

AMEMBASSY MEXICO

AMEMBASSY KINSHASA

AMEMBASSY JAKARTA

AMEMBASSY NEW DELHI

AMEMBASSY YAOUNDE

AMEMBASSY SANTO DOMINGO

AMEMBASSY GUATEMALA

AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

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DEPT PASS AGRICULTURE

EO: 11652: N/A

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PAGE 02 BOGOTA 01991 251605Z

TAGS: ETRD EAGR CO

SUBJ: CONGRESSIONAL HEARINGS ON COFFEE PRICE INCREASES

REF: STATE 34044, BOGOTA 1646

1. ANSWERS TO QUESTIONS IN PARAGRAPH 2 OF STATE 34044 FOLLOWING ORDER:

A. RETAIL PRICE FROM PRE-FROST LEVELS TO DECEMBER 31, 1975 AVERAGED US 49.8 CENTS PER POUND DURING 1975. CURRENT INTERNAL RETAIL PRICE OF POPULAR BETTER QUALITY ROASTED COFFEE RAISED ON JANUARY 1, 1976 TO US 50.4 CENTS PER POUND. (NOTE - PESO PRICE DURING PERIOD HAS INCREASED FROM 15.33 TO 16.60 PESOS PER POUND. LESSER PERCENTAGE INCREASE IN DOLLAR PRICE IS DUE TO PESO DEVALUATION.)

B. DOMESTIC COFFEE ROASTERS/PROCESSORS PURCHASE TYPE OF COFFEE INFERIOR TO EXPORT TYPE. THE ROASTER PRICE PRE-FROST TO DECEMBER 31, 1975 REMAINED THE SAME AT US 48.7 CENTS PER KILOGRAM. ON JANUARY 1, 1976 THE PRICE PAID BY DOMESTIC ROASTERS AMOUNTED TO US 48.5 CENTS PER KILOGRAM. DUE TO CONTINUED DEVALUATION OF PESO, DOLLAR RATE SHOWS A SLIGHT DECLINE.

C. COLOMBIAN COFFEE ENTERS FREELY INTO EXPORT CHANNELS WITH NO GOC INTERFERENCE, A SITUATION TRUE NOW AS IN PRE-FROST TIME FRAME. PRIVATE FIRMS CONDUCT BOTH DOMESTIC AND FOREIGN TRADE. THERE HAVE BEEN NO CHANGES TO RESTRICT OR ENCOURAGE EXPORTS. HOWEVER, FOREIGN EXCHANGE REPATRIATION REQUIREMENT WAS INCREASED TO US \$143 PER 70 KILOGRAM BAG ON FEBRUARY 19, 1976. IN PRE-FROST PERIOD FOREIGN REPATRIATION AMOUNTED TO US \$95.50 PER 70 KILOGRAM BAG.

D. PRICES PAID TO PRODUCERS ON DECEMBER 7, 1974 WERE US \$83.87 PER CARGA OF 125 KILOGRAMS. THIS WAS RAISED TO US \$95.88 PER CARGA ON JULY 21, 1975 AND IN SUCCESSIVE STAGES CLIMBED TO US \$122.80 PER CARGA ON FEBRUARY 19, 1976.

E. EMPHASIS BOTH PRE AND POST-FROST HAS BEEN ON PLANT RENOVATION RATHER THAN IN AREA EXPANSION. THE COFFEE GROWERS FEDERATION EXTENDS CREDIT TO FARMERS FOR PLANT RENOVATION TO HIGHER YIELDING VARIETIES. WITH DROP IN DOMESTIC FERTILIZER PRICES END OF 1975 MORE INTENSIVE FERTILIZER USAGE BY FARMERS EXPECTED IN 1976, ES-LIMITED OFFICIAL USE

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PAGE 03 BOGOTA 01991 251605Z

PECIALLY WITH RISING WORLD COFFEE PRICES.

2. AS NOTED IN PREVIOUS REPORTS COLOMBIAN COFFEE EXPORTS ARE EXPECTED TO INCREASE TO 8.0 MILLION BAGS IN 1975-76, OR NEARLY 500 THOUSAND BAGS OVER 1974-75. COLOMBIA HAS SHOWN WILLINGNESS TO DRAW DOWN ON STOCKS IN ORDER TO ACHIEVE THIS EXPORT PERFORMANCE. VAKY

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Draft Date: 24 FEB 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Enclosure: n/a
Executive Order: N/A
Errors: N/A
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ISecure: 1
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04 MAY 2006

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